



**MANAGEMENT'S DISCUSSION AND ANALYSIS –
QUARTERLY HIGHLIGHTS**

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2019

DATED AUGUST 8, 2019

(Expressed in Canadian Dollars)

The following Management's Discussion & Analysis ("MD&A") of Giyani Metals Corp, (the "Company" or "Giyani") for the three and six months ended June 30, 2019 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2018. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended December 31, 2018 and 2017 and unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2019, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Information contained herein is presented as of August 9, 2019, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Giyani common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Certain information and discussion included in this MD&A constitutes forward looking information. Readers are encouraged to refer to the cautionary notes contained in the section Forward-Looking Statements below.

Additional information and corporate documents may be found on SEDAR at www.sedar.com, and the Giyani Metals Corp. website at www.giyanimetals.com.

Company Overview

Giyani was incorporated under the Canada Business Corporations Act on July 26, 2007 and continued under the Business Corporations Act of British Columbia on August 4, 2010. The Company has focused its full attention to advance its recently acquired manganese exploration stage assets within the Kanye Basin in south eastern Botswana, Africa (the Kanye Project). Management is building confidence through sound and methodical technical studies supported by independent laboratory chemical analysis that the accumulations and chemical composition of the manganese deposits within its property are unique and that it displays ideal grade and purity characteristics for the battery industry. In 2018 the operational program included geophysical surveys and a diamond drilling campaign at the K.Hill and Otse high grade manganese prospects (see "Exploration and Evaluation Update" below). Previously the Company was engaged in the acquisition, exploration, evaluation and development of gold resource properties in South Africa and Canada. The registered address is Suite 403 - 277 Lakeshore Road East, Oakville, Ontario, L6J 6J3.

The Company trades on the TSX Venture Exchange ("TSXV") under the symbol "EMM".

The accompanying unaudited condensed interim consolidated financial statements have been prepared using IFRS applicable to a "going concern", which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate, and those adjustments could be material. The Company will continue to pursue opportunities to raise additional capital through assets sales, equity markets and/or debt to fund investment in its exploration and evaluation assets; however, there is no assurance of the success or sufficiency of these initiatives.

The Company reported net loss of \$509,743 for the three months ended June 30, 2019 (2018 – loss of \$536,006) and had an accumulated deficit of \$32,783,205 at June 30, 2019 (December 31, 2018 - \$31,885,874).

Significant Events

Final Approval of Environmental Management Plans (EMP)

On July 26, 2019 The Department of Environmental Affairs (DEA) in Botswana, granted Giyani final approvals for the K.Hill and Otse EMPs after a satisfactory completion of the public review process. This approval will enable the Company to start the reclamation work on the ground at both prospects. The manganese product generated from this work will be marketed by Traxys under the terms set forth in the Term Sheet.

Non-brokered Private Placement

On April 24, 2019, the Company closed a non-brokered private placement of 2,678,250 units for total gross proceeds of \$428,520. Each unit consisted of one common share of Giyani at a price of \$0.16 per share and one half of a share purchase warrant exercisable at \$0.275 for a period of 18 months from the date of issuance. As a result of the placement, \$9,450 in finders' fees were paid.

Disposal of Canoe shares

During the six months ended June 30, 2019, the Company liquidated all the common shares held of Canoe for proceeds of \$372,651, net of costs of \$3,809, resulting in a loss on disposal of shares of associate of \$16,784. As a result of this sale, the Company ceases to have an ownership interest in Canoe.

Term Sheet

On January 28, 2019 the Company entered into a non-binding term sheet (the "Agreement") with Traxys Africa Trading (Pty) Ltd ("Traxys") which sets out terms for an investment of USD \$1,000,000 in the form of a secured convertible loan facility under which Traxys will have exclusive rights to market all of the direct shipping ore ("DSO") manganese material processed and produced from the Company's K.Hill and Otse reclamation projects in Botswana.

The facility bears interest at the aggregate of 10% and the 3-month USD LIBOR per annum compounded quarterly with a term of 36 months. The facility will be repaid on or before the maturity by:

- the future delivery of DSO or other ore as provided for in the Agreement. The net amount (after all applicable deductions have been made) of the proceeds derived from the sale of the DSO, will be used to reduce the outstanding amount until such date as the outstanding amount has been fully repaid,
- at the sole discretion of the Lender, by the Lender exercising its right to conversion shares or,
- repayment in cash by the Corporation of any then remaining outstanding amount at maturity.

The Company, as part of the Agreement, shall pay to Traxys an administration fee of USD \$10 per ton in respect of all material subject to the Agreement. The administration fee shall be deducted from the proceeds of the sale of the DSO, or other ore, in addition to any repayment deductions, and shall continue to apply for the duration of the Agreement irrespective of the outstanding amount being settled.

The outstanding amount, constituting principal and accrued interest of the facility may be converted into common shares of the Company at any time. The price per conversion share will be \$0.225. In addition, the Company will issue for no additional consideration 3,000,000 unlisted warrants all vesting immediately. Each warrant will be exercisable into one common share of the Company for a period of 36 months from the date of their issuance at an exercise price of \$0.225.

The definitive agreement is expected to be executed in the 3rd quarter of the Company's fiscal year.

Exploration and Evaluation Update

Maiden Mineral Resource Estimate

On September 28, 2018, the Company announced its maiden mineral resource estimate. The mineral resource estimate, prepared by the South Africa based MSA Group, includes an inferred resource of 1.1 million tonnes grading 31.2% manganese oxide (MnO) at a cut-off grade of 18% MnO. See "Exploration and Evaluation Update" below.

Kanye Project - Botswana

On April 11, 2017, the Company announced the acquisition of six prospecting licenses that encompass the past producing Kgwakgwe Hill Manganese Mine located in the Kanye Basin, south eastern Botswana. Binding agreements were signed with Everbroad Investments (Pty) Limited and Marcelle Holdings (Pty) Limited to acquire an 88% interest in PL322/2016 (Kgwakgwe Hill License or "K.Hill") and 100% interest in PL336/2016 to PL340/2016 (adjacent to K. Hill) inclusive by making cash payments totaling USD \$75,000 (paid).

On July 13, 2017, the Company signed a definitive agreement (the "Agreement") with Marcelle to acquire an 88% interest in seven prospecting licenses (PL294/2016 to PL300/2016 inclusive) by making cash payments totaling BWP 980,000 Botswana Pula (\$126,126 paid). Additionally, the Agreement also included the completion of the acquisition of a 100% interest in five prospecting licenses from Marcelle and 88% interest in one prospecting license from Everbroad as mentioned above. The Agreement also included the acquisition of 100% interest in Menzi Battery (Pty) Limited, a company incorporated in accordance with the laws of Botswana by issuing two million common shares (issued) of Giyani. As of the date of this MD&A, all ministry approvals have been granted to transfer the licenses ownership to Menzi.

On November 16, 2017, the Company announced the discovery of a historically mined third high grade manganese prospect near the town of Lobatse ("The Lobatse Prospect"). The Lobatse Prospect is located 30 km south of the Otse Prospect and roughly 40 km east of K.Hill. All three prospects are located within the boundaries of the larger, manganese rich, Kanye Project area. Giyani was granted the Lobatse Prospect license (PL258/2017) during the execution of its 2017 regional sampling and mapping program.

All licenses have an initial expiry date of December 31, 2019, except for the Lobatse Prospect license which has an initial expiry date of December 31, 2020. The licenses have minimum aggregated Botswana Pula expenditures of BWP25,450,000 (approximately \$3,043,000) by December 31, 2019 and additional expenditures of BWP2,950,000 (approximately \$350,000) by December 31, 2020 and can be renewed prior to the initial expiry date. The majority of the current expenditures, see "Current expenditures" below, are expected to qualify towards the minimum required expenditures. The Company has spent a total of Botswana Pula 17,500,000 (Canadian \$2,100,000) on the development of its Kanye Project licences to date. Furthermore, The Company will apply for the extension of some of the 14 licences it currently holds rights to. The Company also intends to acquire the remaining 12% interest in PL322/2016, which encompasses the K.Hill licence, from Everbroad in the future.

The manganese mineralization at K-Hill occurs primarily as a supergene enriched manganiferous shale (the Mn-Shale) occurring in the upper portion of a shale horizon within the Black Reef Quartzite Formation of the Transvaal Supergroup. The quartzite package underlying the shales, rests unconformably on Archaean felsites of the Kanye Volcanic Group. The shales are overlain by chert breccias.

The Transvaal Supergroup hosts roughly 77% of the world's manganese reserves and has been mined in the Griqualand West basin in South Africa since the early 1900's. The identification of the K.Hill deposit within the Kanye sub basin of the Transvaal Supergroup in Botswana, confirms the fertility of this smaller basin to host Mn deposits in Botswana. This deposit is of particular interest to Giyani because of the simple yet ideal chemical compositions and grade characteristics that would be amenable to the production of Electrolytic Manganese Metal (EMM). The production of EMM requires a high portion of Mn-oxide in the starting material which optimizes the leaching process and the production of a pure Mn-pregnant solution for Electrolysis. The mineralization at K.Hill consist almost exclusively of Mn-Oxide minerals such as Hausmannite and Pyrolusite. In contrast, the world's largest Mn-deposits in South Africa has high portions of Mn-carbonate, Mn-Fe and Mn-Si minerals such as Rhodochrosite, Bixbyite and Braunite.

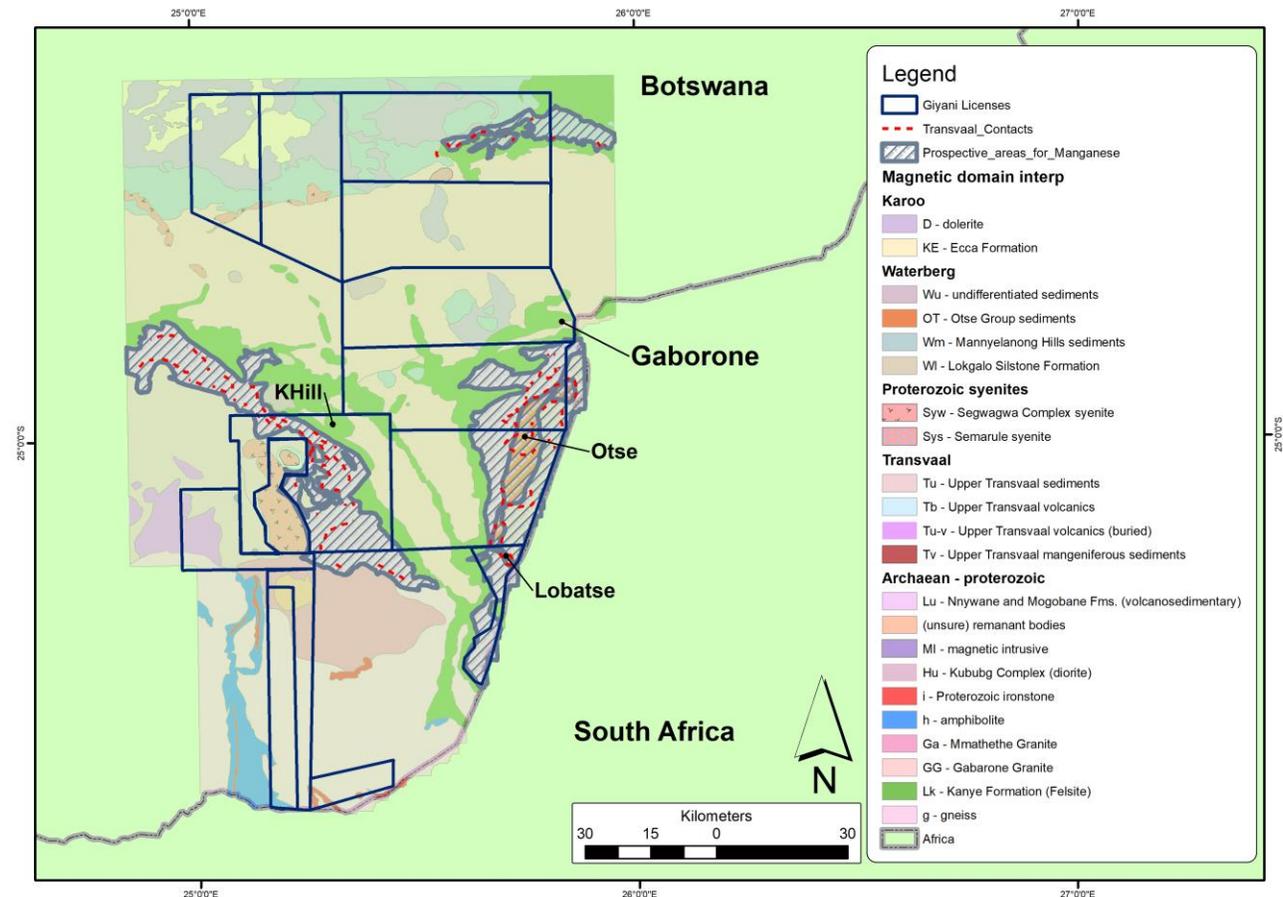
Battery manufacturers uses high purity Mn metal as an alloy material in the making of Nickel-Manganese-Cobalt (NMC) or Mn-oxide cathodes in Li-Ion batteries. EMM is also used in a variety of specialty steels to increase durability of the material and increase resistance to weathering.

Giyani believes the Kanye Project has a sizable battery grade manganese deposit can be quickly advanced to production providing feedstock to battery technology manufacturers. This assertion is supported by the positive results of the Company's extensive hydrometallurgical testing program which included a successful acid leaching of manganese from the K.Hill drill core samples at a 94% recovery rate. Moreover the K.Hill mineralized material occurs in the form of a natural oxide which, unlike carbonate manganese deposits, do not require calcining prior to leaching in a solvent extraction, electrowinning (SX-EW) refining process.

Exploration

On March 15, 2018, the Company announced the commencement of Phase 1 of its 2018 operational program, including geophysical surveys and a diamond drilling campaign at the K.Hill and Otse Prospects in Botswana.

Interpretation of government data was completed on April 10. The airborne magnetic data, at a 250-meter line spacing, was filtered, image processed and inverted to create a series of products designed to highlight relevant geological features of interest. This has allowed Giyani to map, with a high degree of certainty, the location of prospective geology within the larger Giyani license areas as per below.

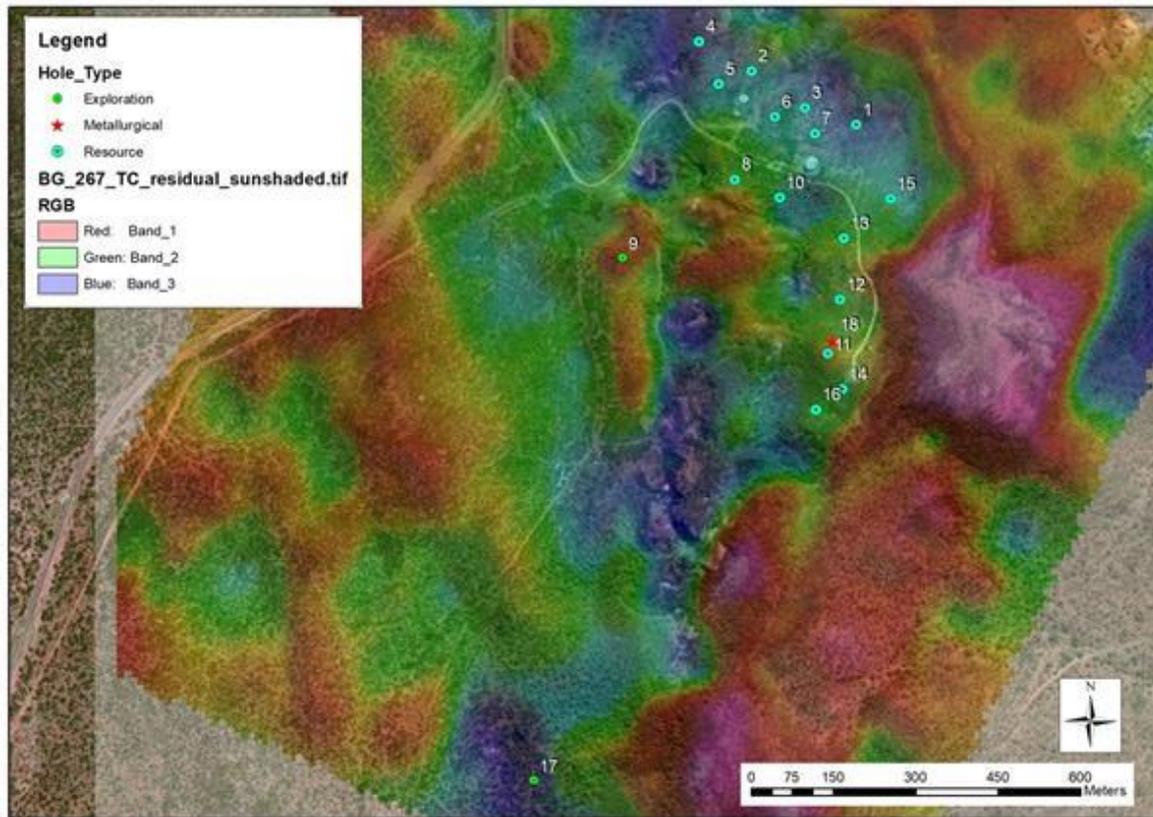


Lithostructural mapping has identified several prospective areas (highlighted as hatched polygons in figure above) where prospective Lower Transvaal stratigraphy is likely to outcrop/subcrop. Current ongoing ground surveys will provide valuable information to identify subtle magnetic contacts in this sedimentary package which will allow for detailed mapping of the manganiferous shale.

Geophysical surveying at K.Hill was completed on April 20, 2018. A provisional interpretation of the northern portion of the K.Hill survey block was completed to assist with the decision making of the drill hole collar locations. The residual bouguer gravity map as well as interpreted structural features over this portion of the survey block are shown in the figure below. This interpretation highlighted the mapped presence of a thick shale unit (about 40 metres in thickness observed from the drill core) of which the manganese-shale makes up the upper portion. The contrast with a thick and denser underlying extrusive volcanic sequence is also clearly visible. This interpretation assisted with the location of the first seven drill collars, targeting the top of the shale unit stratigraphically above the volcanic unit. The interpreted structures were also considered in planning the drill positions.

Giyani also appointed Rotsdrill Exploration as the main drilling contractor for Phase 1 after a competitive bidding process, in which 4 reputable drilling companies were invited to participate. The Company provided all contractors with a specific scope of work as well as access to the drill targets in order for them to develop comparable proposals. Rotsdrill Exploration is an experienced, Botswana based, drilling company that is best known for drilling difficult rock conditions in the Debswana owned kimberlite diamond mine at Jwaneng, ~70 kilometres north of K.Hill. Debswana is a joint venture between De Beers and the Botswana Government.

All the drilling for the Phase 1 resource estimation drill campaign has now been completed (see figure below).



Giyani drilled a total of 18 diamond drill holes of which 15 totaling 961.29m were used in the calculation of a resource estimate. 14 of the 15 holes, to be used in the resource estimate, intersected the manganiferous shale horizon. The remaining hole (DDKH18_0002) intersected a cavity and as a result it was abandoned. The mineralized horizon was sampled extensively to ensure that all mineralized intervals were covered.

The table below shows some geochemical results from the first 7 holes drilled at K. Hill; DDKH18_0001, -0004, -0007, -0010, -0011, -0012, and -0014. Only the oxides of interest, MnO, Fe₂O₃ and the deleterious element P₂O₅ are listed here due to their significance in the formulation of battery grade products. It is expected that a grade of 30% MnO will result in favorable hydrometallurgical test result.

Hole ID	From (m)	To (m)	Thickness (m)	Fe ₂ O ₃ (%)	MnO (%)	P ₂ O ₅ (%)
DHK18_001	6	10	4	18.54	40.09	0.156
including	6	8	2	16.9	42.3	0.316
DHK18_004	5.73	8	2.27	19.22	35.91	0.412
including	6.5	7.5	1	19.4	41.4	0.444
and	15	19	4	18.73	31.93	0.414
including	16	17	1	17.2	48.8	0.49
DHK18_007	25	29	4	13.9	40.15	0.147
including	28.07	29	0.93	13	57.9	0.17
DHK18_0010	11.73	14	2.27	20.74	31.82	0.16
DHK18_0011	21	23	2	21.3	36.9	0.308
DHK18_0012	17.73	19.5	1.77	22.02	34.45	0.218
DHK18_0014	15	19	4	17.19	31.44	0.154

The geochemical results from the first drill holes confirm the thickness of the manganiferous shale horizon at K.Hill. The representative sampling from the K.Hill drill cores provides Giyani with a true vertical section of the mineralized horizon. A preliminary cross section can be drawn using the logging data, highlighting the orientation and thickness of the mineralized horizon. See figure below. Cross section through holes DDKH18_0001, -0002, -0003, and -0004, using the logging data.



Resource estimation

Giyani contracted mining consulting firm MSA Group, of South Africa, to construct a three-dimensional geological model of K.Hill, complete a mineral resource block model and resource estimate, and compile a NI 43-101 technical report. MSA conducted a site visit on June 7 and 8, 2018. The purpose of the visit was to inspect the field and data capturing procedures and ensure that it was in line with industry best practices. During this audit, MSA visited the completed drill hole sites, core logging and sampling sheds, and inspected the sampled cores. Field procedures and techniques were found to be in line with industry best practices. All required data from the geochemical results were delivered to MSA for the volumetric analysis, 3D modelling and estimation of a resource.

The Mineral Resource estimate was based on geochemical analyses and density measurements of core samples obtained by diamond drilling undertaken by Giyani from April 16, 2018 to July 2, 2018. A total of eighteen vertical holes were drilled at K. Hill. Two of the drill holes were collared outside the Mineral Resource area, one was drilled for metallurgical purposes and twelve of the drill holes intersected the manganese shale. The intersections obtained from ten drill holes were used to estimate the grade of the Mineral Resource. The remainder were used in defining the extent of the mineralization.

A three dimensional geological model of the major stratigraphic units was constructed using the drillhole logging data. The mineralized envelope within the manganese shale was defined by a 15% MnO threshold and a three dimensional mineralization model was constructed. The grades of MnO, Fe₂O₃, Al₂O₃, SiO₂ as well as Loss on Ignition (LOI) and density were estimated using inverse distance squared into a block model based on the geological and mineralization model. An adjustment to the modelled tonnage was made in order to account for depletion by historical mining.

The Mineral Resource was estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Best Practice Guidelines and is reported in accordance with the 2014 CIM Definition Standards, which have been incorporated by reference into National Instrument 43-101 – Standards of Disclosure for Mineral Projects (NI 43-101).

The Mineral Resource is classified into the Inferred category as shown in Table 1 below.

Category	Tonnes (Millions)	MnO %	Al₂O₃ %	SiO₂ %	Fe₂O₃ %	LOI %
Inferred	1.1	31.2	8.9	26.3	16.9	8.8

Footnotes:

1. All tabulated data have been rounded and as a result minor computational errors may occur.
2. Mineral Resources which are not Mineral Reserves have no demonstrated economic viability.
3. LOI = Loss on ignition.
4. Density determination was on undried samples and tonnages are reported as wet.

The cut-off grade calculation was based on the following assumptions: EMM price of US\$ \$2,500/t (FOB), mining cost of USD \$35/t, processing cost of USD \$75/t, G&A cost of USD \$20/t, transport cost of USD \$50/t EMM, metallurgical recovery of 60% of the contained manganese.

The Mineral Resource is reported at a cut-off grade of 18% MnO, which is the lowest grade block estimate within the mineralization model. Given reasonably assumed high-level cost and revenue assumptions, MSA considers that mineralization at this cut-off grade will satisfy the test for reasonable prospects for eventual economic extraction.

The Inferred Mineral Resource has been tabulated using a number of cut-off grades as shown in Table 2.

Cut-Off Grade MnO %	Tonnes (Millions)	MnO %	Al₂O₃ %	SiO₂ %	Fe₂O₃ %	LOI %
18	1.1	31.2	8.9	26.3	16.9	8.8
20	1.1	31.2	8.9	26.2	16.9	8.9
25	1.1	31.5	9.0	25.6	17.1	8.9
30	0.6	35.0	8.1	22.7	17.0	9.3

Footnotes:

1. All tabulated data have been rounded and as a result minor computational errors may occur.
2. Mineral Resources which are not Mineral Reserves have no demonstrated economic viability.
3. LOI = Loss on ignition.
4. Density determination was on undried samples and tonnages are reported as wet.

Drill cores were sawn in half and one half was sampled and placed in a plastic bag along with a sample tag. Bags were sealed with a single use tie. Samples were securely stored prior to shipping to SGS laboratories in Randfontein, Johannesburg, South Africa. Samples were crushed and milled prior to analysis by borate fusion and XRF. The samples were subjected to a quality assurance and quality control (QAQC) program consisting of the insertion of blank samples, certified reference materials and coarse duplicates. The primary laboratory assay values were confirmed by 40 duplicate samples assayed by a second laboratory (Intertek Genalysis, Maddington, Australia). The Qualified Person is satisfied that the assay results are of sufficient accuracy and precision for use in Mineral Resource estimation.

Hydrometallurgical testing

On December 7, 2017, the Company announced positive metallurgical testing results, performed by Dalhousie Minerals Engineering Centre in Halifax, Nova Scotia, Canada, from the MnO bearing rocks sampled at the K.Hill Prospect. Of significance, K.Hill ore material, , can be easily treated using a trammel/gravity/washing process. Grinding to 200-micron particle size is require producing physically amenable material for hydrometallurgical processing. Hydrometallurgical processing takes the product to a grade higher than 99.7% manganese in the form of Electrolytic Manganese Metal (EMM) suitable for the battery industry. As well, the results include positive indications that the percentage of deleterious elements in the rock does not affect quality or recovery. It is recommended that additional testing be performed to determine the recovery of manganese nodules through a screening, washing and/or gravity separation system and that the remainder of the manganese be tested for recovery and purity using hydrometallurgical processes.

Hydrometallurgical testing of three samples from K.Hill commenced in early June 2018 and results were included within the NI 43-101 technical report. The purpose of this test work was to determine the appropriate leaching methods, recoveries, residence times and to identify the dissolved metals. This is the first step of defining an eventual hydrometallurgical process that will be composed of leaching and purification with additional steps to produce the final battery grade manganese products. This information will be used to design and build a small pilot circuit that will, in turn, supply small-scale production for battery assessment tests and generate engineering and operational data for a full-scale plant.

Environmental management plan

On November 1, 2018, the Company announced the Department of Environmental Affairs ("DEA") in Botswana has approved the Company's proposal to clean up the old mine tailings at its three prospects K.Hill, Otse, and Lobatse, within the framework defined by an Environmental Management Plan ("EMP") that was submitted by Giyani to the DEA in Botswana in September 2018.

Working closely with the DEA in Botswana, the Giyani team, in partnership with a local environmental consulting firm, inspected the three sites K.Hill, Otse and Lobatse where previous manganese mining operations existed several years ago. The sites were left unrehabilitated and currently constitute various degrees of physical risks and negative impact on the local environment. The Giyani proposal included three EMPs uniquely designed for each site to address specific issues. Giyani has also been working very closely with the local communities recently to take their input into the process and ensure the EMPs are designed to produce a satisfactory outcome that will enhance conditions in the area. By doing so, the Company believes it will be able to collect the manganese bearing stockpile material from all three sites and process it into a valuable product that could generate cashflow for further project development, as described below.

Giyani has started the EMP work on the ground, including continuous consultations with the local communities and archaeological studies as agreed with the DEA. In November and December 2018 the Company prepared three EMPs, for the K.Hill, Otse, and Lobatse projects. On December 28, 2018, the Company submitted the EMP for K.Hill. On January 14, 2019, the Company submitted the EMP for Otse. On January 17, 2019, the Company submitted the EMP for Lobatse. On March 15, 2019, the Company received first comments from the DEA for all three EMPs. On March 28, 2019, the Company submitted responses to the Ministry's first comments for K.Hill. On April 8, 2019, the Company submitted responses to the Ministry's first comments for Otse. On April 10, 2019, the Company submitted responses to the Ministry's first comments on Lobatse. On May 22, 2019 Giyani received conditional approval for the K.Hill and Otse EMPs pending the customary, one month, public review period. On June 7, 2019, and for a period of 30 days, Giyani advertised the K.Hill and Otse EMPs in the government Gazette and local newspapers for review by the public. On July 26, 2019 the DEA granted Giyani final approvals for K.Hill and Otse EMPs as a result of a satisfactory completion of the public review process.

The following table shows the continuity of the acquisition costs and expenditures incurred on the Kanye Project:

	Kanye Project (\$)
Balance, December 31, 2017	\$1,088,729
Acquisition costs	913,131
Current expenditures	(28,639)
Balance, December 31, 2018	1,973,221
Current expenditures	129,357
Foreign exchange	-
Balance, June 30, 2019	\$2,102,578

Roger Moss, Ph.D., P.Geo, is the qualified person, as that term is defined by National Instrument 43-101, on behalf of the Company and has approved the scientific and technical content contained in the above discussion about Kanye Project except for the July 19, 2017 and December 7, 2017 results above where Ian Flint, Ph.D., P.Eng is the qualified person and has approved the scientific and technical content contained in the above discussion.

Rock Island Project – South Africa

Pursuant to the joint operation agreement relating to the assets of Rock Island, the Company has funded the joint operation with Corridor Mining Resources ("CMR") on a 50:50 basis, whereby both parties are to share the costs evenly on an ongoing basis. Exploration costs are recorded in a loan account where interest is accrued at an agreed upon rate. This loan will be repaid out of proceeds from the sale of the Rock Island asset. The loan is unsecured, with no fixed repayment terms and bears interest at South African prime +1%. As at June 30, 2019, the Company had advanced \$1,748,823 to Rock Island for exploration work.

The Company's exploration permits expired on July 10, 2015. Prior to expiry, an application to extend for a three year retention permit was submitted to the DMR. This application was submitted by Giyani's partner CMR. At the time, no competing applications were submitted. The DMR confirmed receipt of the application on May 4, 2016. For accounting purposes, the Company continues to present the Rock Island Gold Project at \$nil.

The Company continues to work towards recovering the loan receivable (approximately \$735,000) owed to it by CMR, its joint venture partner on the Rock Island Gold Project, as described below. Given the uncertainty of collectability, no amounts have been setup as receivable in the consolidated financial statements.

During the prior year, the Company began discussions with CMR to determine a resolution. It has been agreed that an audit of Rock Island Trading 17 (Pty) Ltd.'s financials will be completed as well as a valuation of the Rock Island Gold Project. In September 2018 the Company and its partner CMR agreed a valuation, done by an independent expert PKF Octagon, of approximately Rand 47million (\$4.3million). The Company subsequently proposed to its partner that either party should buy the other out to consolidate control of the assets.

Results of Operations

Results of Operations for the three months ended June 30, 2019 compared to 2018

The Company had a net loss of \$509,743 for the three months ending June 30, 2019, compared to a loss of \$536,006 for the previous period. The increase in net loss is the result of:

- Stock based compensation decreased from \$89,410 for the three months ended June 30, 2018 to \$21,983 for the three months ended June 30, 2019 due to no options being used in 2019.
- Shareholder information expenses decreased from \$128,365 for the three months ended June 30, 2018 to \$88,705 for the three months ended June 30, 2019 due to the decreased use of investor relation consultants in the current period.
- Travel decreased from \$61,810 for the three months ended June 30, 2018 to \$33,869 for the three months ended June 30, 2019 due to the decreased marketing activities of the Company.
- Professional fees increased from \$126,777 for the three months ended June 30, 2018 to \$247,963 for the three months ended June 30, 2019 due to additional fees paid as a result of the April 2019 private placement.

Trend

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favourable conditions for completing a public merger, financing or acquisition transaction. Apart from those noted in the commitment section below and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations. See "Risk Factors" below.

Liquidity, Capital Resources and Going Concern

The Company is subject to the risks and challenges experienced by other companies at a comparable stage. These risks include, but are not limited to, continuing losses, dependence on key individuals and the ability to secure adequate financing or to complete corporate transactions to meet the minimum capital required to successfully complete its projects and fund other operating expenses. Advancing the Company's projects through exploration and development to the production stage will require significant financings.

None of the Company's projects have commenced commercial production and, accordingly, the Company is dependent upon debt and/or equity financings and the optioning and/or sale of resource or resource-related assets for its funding. The recoverability of the carrying value of exploration and evaluation projects, and ultimately the Company's ability to continue as a going concern, is dependent upon exploration results which indicate the potential for the discovery of economically recoverable reserves and resources, and the Company's ability to finance exploration of its projects through, marketable securities sales, debt and/or equity financings and the optioning and/or sale of resource or resource-related assets such as royalty interests for its funding.

The Company's condensed interim consolidated financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of the business. As of June 30, 2019, the Company had working capital deficit of \$495,413 compared to a working capital deficit of \$372,243 as at December 31, 2018.

Management is continuing to actively pursue strategies to realize on the potential of its assets or secure additional financings in order to fund its operations. The Company intends to seek equity financings through private placements and/or public offerings. While the Company has been successful in securing equity financings, there is no assurance of the success or sufficiency of any future financings.

As at the date of this MD&A, the Company had 6,500,000 stock options with exercise prices between \$0.10 to \$0.35, 5,117,665 warrants with exercise prices between \$0.275 to \$0.40 which, if all exercised, would result in total cash proceeds of \$3,774,316. There is no assurance that these exercises will occur.

Commitments

Loan Receivable

The Company continues to work towards recovering the funds (approximately \$735,000) owed to it by CMR, its joint venture partner on the Rock Island Gold Project. Given the uncertainty of collectability, no amounts have been setup as receivable in the condensed interim consolidated financial statements.

Break Fee Receivable

On October 14, 2015, the Company signed a letter of intent ("LOI") with Crystal Capital Wealth Corporation ("Crystal"). The LOI proposes a transaction pursuant to which the Company would acquire all the issued and outstanding securities of Crystal by means of a Reverse Takeover and Change of Business (the "Transaction").

On March 31, 2016, the Company and Crystal terminated the indicative LOI as it has expired. Under the terms of the Agreement, Giyani is entitled to and will pursue collecting the USD \$250,000 break fee. Crystal loaned the Company \$35,000 which will be deducted from the break fee owing. Given the uncertainty of collectability, no amounts have been setup as receivable in the condensed interim consolidated financial statements.

Commitments to Management Compensation

During the year ended December 31, 2017, the Company signed two consulting agreements with each of the President and CEO of the Company. Under the agreements, each may be extended for one additional year, the Company is committed to minimum payments of \$189,000 in 2019.

As part of the agreements, in the event of a change of control, the Company shall pay the consultants a lump sum payment equal to 12 months compensation, which totals \$408,000.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Related Party Transactions

Remuneration of directors and key management personnel of the Company was as follows:

Management and consulting fees of \$197,077 and \$306,830 (three and six months ended June 30, 2018 - \$91,212 and \$123,212) were paid or accrued to officers and directors of the Company or to companies controlled by officers or directors of the Company during the three and six months ended June 30, 2019.

The Chief Financial Officer ("CFO") of the Company is a senior employee of Marrelli Support Services Inc. ("MSSI"). During the three and six months ended June 30, 2019, the Company paid or accrued professional fees of \$12,890 and \$20,790 (three and six months ended June 30, 2018 - \$17,431 and \$25,733) to MSSI. These services were incurred in the normal course of operations for general accounting and financial reporting matters. MSSI also provides bookkeeping services to the Company. As at June 30, 2019, MSSI was owed \$15,136 (December 31, 2018 - \$5,970) with respect to services provided. The balance owed was recorded in the consolidated statement of financial position as amounts due to related parties.

As at June 30, 2019, the Company owed \$92,050 (December 31, 2018 - \$91,212) to directors and officers of the Company and entities controlled by or associated with directors and officers of the Company.

Officers and directors of the Company subscribed for 640,750 units in the private placement for gross proceeds of \$102,520. Related parties settled \$15,840 of debt in conjunction with the private placement.

Risk Factors

Prior to making an investment decision investors should consider the investment risks set out in the Annual Information Form ("AIF"), located on SEDAR at www.sedar.com, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out in the AIF to be the most significant to potential investors in the Company, but are not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Directors are currently unaware, or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment relating to the Company.

Disclosure of Internal Controls

Management has established processes to provide it with sufficient knowledge to support representations that it has exercised reasonable diligence to ensure that (i) the condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the condensed interim consolidated financial statements, and (ii) the condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements

in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
The Company will be able to continue its business activities.	The Company has anticipated all material costs and the operating activities of the Company, and such costs and activities will be consistent with the Company's current expectations; the Company will be able to obtain equity funding when required.	Unforeseen costs to the Company will arise; any particular operating cost increase or decrease from the date of the estimation; and capital markets not being favourable for funding resulting in the Company not being able to obtain financing when required or on acceptable terms.
The Company will be able to carry out anticipated business plans.	The operating activities of the Company for the twelve months ending June 30, 2020, will be consistent with the Company's current expectations.	Sufficient funds not being available; increases in costs; the Company may be unable to retain key personnel.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section above. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.